



OPEN MEETING AGENDA ITEM



ORIGINAL

November 4, 2014

The Honorable Bob Stump, Chairman
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007-2996

Arizona Corporation Commission
DOCKETED

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Re: ~~E-01345A-14-0250~~/E-01345A-13-0140, E-01933A-14-0248

Dear Chairman Stump:

APS's and TEP's proposal to enter into the actively competitive market of distributed solar energy is at best ironic, and given the history of this issue, at worst hypocritical. I urge you to reject these proposals.

You'll recall that APS and TEP spent significant resources in 2013 opposing an effort to allow for electric choice and competition in Arizona. Now both companies seek to enter a competitive market using their monopoly status and guaranteed rate of return. All of the costs and risks of these programs will be borne by their ratepayers but all the rewards will be accrued to their shareholders. This risk free proposal will give them an unfair competitive advantage.

If APS and TEP want to compete in distributed solar, they should do so without guaranteed cost recovery from ratepayers, using an unregulated affiliate. Nothing is stopping them from doing this now and the Commission should direct them to do so.

Though perceived legal challenges prevented the Commission from moving forward with retail competition last year, the Commission should ensure that APS and TEP's energy monopolies are not further extended at the expense of ratepayers, competitive businesses and good governance of the utility monopoly.

If TEP and APS want to compete in competitive markets then Arizona should support a competitive model with fair and equal terms for all participants. Rewarding one market participant's shareholders with a guaranteed rate of return and guaranteed cost recovery is neither fair nor equal.



Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Bass', written over a horizontal line.

Greg Bass
Director of Retail Commodity Operations

Cc:
Commissioner Bob Burns
Commissioner Brenda Burns
Commissioner Susan Bitter Smith
Commissioner Gary Pierce